



Montana Department of  
**ENVIRONMENTAL QUALITY**

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ADMINISTRATIVE AMENDMENT  
TO MONTANA AIR QUALITY PERMIT

Date of Mailing: February 14, 2013

Name of Applicant: NorthWestern Energy

Source: Lodge Creek #10 Compressor Engine

Location: Various locations throughout Montana

Proposed Action: The Department of Environmental Quality (Department) proposes to issue an Administrative Amendment, with conditions, to the above-named permittee. The permit will be assigned #3843-01. The permittee may appeal the Department's decision to the Board of Environmental Review (Board). A request for hearing must be filed by March 1, 2013. This permit shall become final on March 2, 2013, unless the Board orders a stay on the permit.

Proposed Conditions: See attached.

Procedures for Appeal: The permittee may request a hearing before the Board. Any appeal must be filed before the final date stated above. The request for hearing shall contain an affidavit setting forth the grounds for the request. Any hearing will be held under the provisions of the Montana Administrative Procedures Act. Submit requests for hearing in triplicate to: Chairman, Board of Environmental Review, P.O. Box 200901, Helena, Montana 59620.

For the Department,

Julie Merkel  
Air Permitting Supervisor  
Air Resources Management Bureau  
(406) 444-3626

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Air Resources Management Bureau  
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JM:EW  
Enclosure

## MONTANA AIR QUALITY PERMIT

Issued To: NorthWestern Energy  
Lodge Creek #10  
40 East Broadway  
Butte, MT 59701

MAQP: #3843-01  
Administrative Amendment (AA) Request  
Received: 01/28/2013  
Department's Decision on AA: 2/14/13  
Permit Final:  
AFS: #777-3843

A Montana Air Quality Permit (MAQP), with conditions, is hereby granted to NorthWestern Energy (NWE) – Lodge Creek #10, pursuant to Sections 75-2-204 and 211 of the Montana Code Annotated (MCA), as amended, and Administrative Rules of Montana (ARM) 17.8.740, *et seq.*, as amended, for the following:

### SECTION I: Permitted Facilities

#### A. Plant Location

NWE owns and operates a portable natural gas compressor engine at various locations throughout Montana. The source is known as Lodge Creek #10. A further description of the permitted equipment is contained in Section I.A of the Permit Analysis. The compressor engine is originally located approximately 15 miles north of Havre, Montana, in the NE¼ of the SE¼ of Section 31, Township 35 North, Range 17 East, in Hill County, Montana. However, MAQP #3843-01 applies while operating at any location in Montana, except within those areas having a Department of Environmental Quality (Department)-approved permitting program or those areas considered tribal lands. *A Missoula County air quality permit will be required for locations within Missoula County, Montana.*

#### B. Current Permit Action

On January 22, 2013, the Department received correspondence from NFR Energy LLC, the former owner of Lodge Creek Pipelines LLC, providing notification of the transfer of ownership of Lodge Creek #10 to NWE. On January 28, 2013, NWE provided correspondence confirming the change in ownership of Lodge Creek #10. The current permitting action updates the name and address associated with the MAQP to NWE in accordance with ARM 17.8.765(2) and updates the MAQP to current language and format used by the Department.

### SECTION II: Conditions and Limitations

#### A. Emission Limitations

1. Lodge Creek #10 shall be a 4-stroke rich-burn engine. The maximum rated design capacity of the engine shall not exceed 188-brake horsepower (bhp) (ARM 17.8.749).
2. Lodge Creek #10 shall be controlled with a non-selective catalytic reduction (NSCR) unit and an air-to-fuel (AFR) controller. The pound per hour (lb/hr) emission limits for the engine shall be determined using the following equation and pollutant specific grams per brake horsepower-hour (g/bhp-hr) emission factors (ARM 17.8.752):

#### Equation

Emission Limit (lb/hr) = Emission Factor (g/bhp-hr) \* maximum rated design capacity of engine (bhp) \* 0.002205 lb/g

#### Emission Factors

Nitrogen Oxides (NO <sub>x</sub> )	1.0 g/bhp-hr
Carbon Monoxide (CO)	1.0 g/bhp-hr
Volatile Organic Compounds (VOC)	1.0 g/bhp-hr

3. NWE shall not cause or authorize emissions to be discharged into the outdoor atmosphere from any sources installed after November 23, 1968, that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes (ARM 17.8.304).
4. NWE shall not cause or authorize the use of any street, road, or parking lot without taking reasonable precautions to control emissions of airborne particulate matter to prevent visible fugitive emissions that exhibit an opacity of 20% or greater (ARM 17.8.308 and ARM 17.8.752).
5. NWE shall treat all unpaved portions of the haul roads, access roads, parking lots, or general plant areas with water and/or chemical dust suppressant as necessary to maintain compliance with the reasonable precautions limitation in Section II.A.4 (ARM 17.8.749).
6. If the permitted equipment is used in conjunction with any other equipment owned or operated by NWE, at the same site, production shall be limited to correspond with an emission level that does not exceed 250 tons of emissions during any rolling 12-month time period. Any calculations used to establish production levels shall be approved by the Department (ARM 17.8.749).
7. NWE shall comply with all applicable standards and limitations, and the reporting, recordkeeping, and notification requirements contained in 40 CFR 60, Subpart JJJJ, *Standards of Performance for Stationary Spark Ignition Internal Combustion Engines* and 40 CFR 63, Subpart ZZZZ, *National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines*, for any applicable diesel engine (ARM 17.8.340; 40 CFR 60, Subpart JJJJ; ARM 17.8.342 and 40 CFR 63, Subpart ZZZZ).

#### B. Testing Requirements

1. Lodge Creek #10 shall be initially tested for NO<sub>x</sub> and CO, concurrently, to demonstrate compliance with the emission limits contained in Section II.A.2. The initial source testing shall be conducted within 180 days of the initial start up date of the compressor engine. After the initial source test, additional testing shall continue on an every four-year basis or according to another testing/monitoring schedule as may be approved by the Department (ARM 17.8.105 and ARM 17.8.749).
2. All compliance source tests shall conform to the requirements of the Montana Source Test Protocol and Procedures Manual (ARM 17.8.106).
3. The Department may require further testing (ARM 17.8.105).

#### C. Operational Reporting Requirements

1. If this portable compressor engine is moved to another location, an Intent to Transfer Form must be sent to the Department. In addition, a Public Notice Form for Change of Location must be published in a newspaper of general circulation in the area to which the transfer is to be made, at least 15 days prior to the move. The Intent to

Transfer Form and the proof of publication (affidavit) of the Public Notice Form for Change of Location must be submitted to the Department prior to the move. These forms are available from the Department (ARM 17.8.749 and 17.8.765).

2. NWE shall supply the Department with annual production information for all emission points, as required by the Department in the annual emission inventory request. The request will include, but is not limited to, all sources of emissions identified in the emission inventory contained in the permit analysis. Production information shall be gathered, by location, on a calendar-year basis and submitted to the Department by the date required in the emission inventory request. Information shall be in the units required by the Department. This information may be used to calculate operating fees, based on actual emissions from the facility, and/or to verify compliance with permit limitations (ARM 17.8.505).
3. NWE shall notify the Department of any construction or improvement project conducted, pursuant to ARM 17.8.745, that would include ***the addition of a new emissions unit***, change in control equipment, stack height, stack diameter, stack flow, stack gas temperature, source location, or fuel specifications, or would result in an increase in source capacity above its permitted operation. The notice must be submitted to the Department, in writing, 10 days prior to startup or use of the proposed de minimis change, or as soon as reasonably practicable in the event of an unanticipated circumstance causing the de minimis change, and must include the information requested in ARM 17.8.745(l)(d) (ARM 17.8.745).
4. All records compiled in accordance with this permit must be maintained by NWE as a permanent business record for at least five years following the date of the measurement, must be available for inspection by the Department, and must be submitted to the Department upon request (ARM 17.8.749).

### SECTION III: General Conditions

- A. Inspection – NWE shall allow the Department’s representatives access to the source at all reasonable times for the purpose of making inspections or surveys, collecting samples, obtaining data, auditing any monitoring equipment such as continuous emissions monitoring systems (CEMS) or continuous emission rate monitoring systems (CERMS), or observing any monitoring or testing, and otherwise conducting all necessary functions related to this permit.
- B. Waiver – The permit and the terms, conditions, and matters stated herein shall be deemed accepted if NWE fails to appeal as indicated below.
- C. Compliance with Statutes and Regulations – Nothing in this permit shall be construed as relieving NWE of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, *et seq.* (ARM 17.8.756).
- D. Enforcement – Violations of limitations, conditions and requirements contained herein may constitute grounds for permit revocation, penalties or other enforcement action as specified in Section 75-2-401, *et seq.*, MCA.
- E. Appeals – Any person or persons jointly or severally adversely affected by the Department’s decision may request, within 15 days after the Department renders its decision, upon affidavit setting forth the grounds therefore, a hearing before the Board of Environmental Review (Board). A hearing shall be held under the provisions of the

Montana Administrative Procedures Act. The filing of a request for a hearing does not stay the Department's decision, unless the Board issues a stay upon receipt of a petition and a finding that a stay is appropriate under Section 75-2-211(11)(b), MCA. The issuance of a stay on a permit by the Board postpones the effective date of the Department's decision until conclusion of the hearing and issuance of a final decision by the Board. If a stay is not issued by the Board, the Department's decision on the application is final 16 days after the Department's decision is made.

- F. Permit Inspection – As required by ARM 17.8.755, Inspection of Permit, a copy of the air quality permit shall be made available for inspection by the Department at the location of the source.
- G. Air Quality Operation Fees – Pursuant to Section 75-2-220, MCA, failure to pay the annual operation fee by NWE may be grounds for revocation of this permit, as required by that section and rules adopted thereunder by the Board.
- H. Duration of Permit – Construction or installation must begin or contractual obligations entered into that would constitute substantial loss within 3 years of permit issuance and proceed with due diligence until the project is complete or the permit shall expire (ARM 17.8.762).
- I. The Department may modify the conditions of this permit based on local conditions of any future site. These factors may include, but are not limited to, local terrain, meteorological conditions, proximity to residences, etc.
- J. NWE shall comply with the conditions contained in this permit while operating at any location in Montana, except within those areas having a Department-approved permitting program.

Montana Air Quality Permit (MAQP) Analysis  
NorthWestern Energy  
Lodge Creek #10  
MAQP #3843-01

I. Introduction/Process Description

NorthWestern Energy (NWE) is permitted to operate a portable natural gas-fired compressor engine known as Lodge Creek #10. This source is originally located approximately 15 miles north of Havre, Montana, in the NE<sup>1</sup>/<sub>4</sub> of the SE<sup>1</sup>/<sub>4</sub> of Section 31, Township 35 North, Range 17 East, in Hill County, Montana. MAQP #3843-01 applies to the source while operating at any location in Montana, except within those areas having a Department of Environmental Quality (Department)-approved permitting program or those areas considered tribal lands. *A Missoula County air quality permit will be required for locations within Missoula County, Montana*

A. Permitted Equipment

The facility consists of a portable natural gas compressor engine (Lodge Creek #10), with a maximum rated design capacity of 188 brake horsepower (bhp). The engine is a 4-stroke rich-burn engine controlled by a non-selective catalytic reduction (NSCR) unit and an air-to-fuel (AFR) controller.

B. Source Description

Lodge Creek #10 is used to gather and compresses natural gas from a nearby gas field. The natural gas fired compressor engine provides additional compression and boost to the gas for transmission through the pipeline.

C. Permit History

On August 3, 2006, the Department issued **MAQP #3843-00** to Lodge Creek Pipelines LLC for the operation of the portable compressor engine referred to as Lodge Creek #10.

D. Current Permit Action

On January 22, 2013, the Department received correspondence from NFR Energy LLC, the former owner of Lodge Creek Pipelines LLC, providing notification of the transfer of ownership of Lodge Creek #10 to NWE. On January 28, 2013, NWE provided correspondence confirming the change in ownership of Lodge Creek #10. The current permitting action changes the name and address associated with the MAQP to NWE in accordance with ARM 17.8.765(2) and updates the MAQP to current language and format used by the Department. **MAQP #3843-01** replaces MAQP #3843-00.

E. Additional Information

Additional information, such as applicable rules and regulations, Best Available Control Technology (BACT)/Reasonably Available Control Technology (RACT) determinations, air quality impacts, and environmental assessments, is included in the analysis associated with each change to the permit.

## II. Applicable Rules and Regulations

The following are partial explanations of some applicable rules and regulations that apply to the facility. The complete rules are stated in the Administrative Rules of Montana (ARM) and are available, upon request, from the Department. Upon request, the Department will provide references for location of complete copies of all applicable rules and regulations or copies where appropriate.

### A. ARM 17.8, Subchapter 1 – General Provisions, including but not limited to:

1. ARM 17.8.101 Definitions. This rule includes a list of applicable definitions used in this chapter, unless indicated otherwise in a specific subchapter.
2. ARM 17.8.105 Testing Requirements. Any person or persons responsible for the emission of any air contaminant into the outdoor atmosphere shall, upon written request of the Department, provide the facilities and necessary equipment (including instruments and sensing devices) and shall conduct tests, emission or ambient, for such periods of time as may be necessary using methods approved by the Department.
3. ARM 17.8.106 Source Testing Protocol. The requirements of this rule apply to any emission source testing conducted by the Department, any source or other entity as required by any rule in this chapter, or any permit or order issued pursuant to this chapter, or the provisions of the Clean Air Act of Montana, 75-2-101, *et seq.*, Montana Code Annotated (MCA).

NWE shall comply with the requirements contained in the Montana Source Test Protocol and Procedures Manual, including, but not limited to, using the proper test methods and supplying the required reports. A copy of the Montana Source Test Protocol and Procedures Manual is available from the Department upon request.

4. ARM 17.8.110 Malfunctions. (2) The Department must be notified promptly by telephone whenever a malfunction occurs that can be expected to create emissions in excess of any applicable emission limitation or to continue for a period greater than four hours.
5. ARM 17.8.111 Circumvention. (1) No person shall cause or permit the installation or use of any device or any means that, without resulting in reduction of the total amount of air contaminant emitted, conceals or dilutes an emission of air contaminant that would otherwise violate an air pollution control regulation. (2) No equipment that may produce emissions shall be operated or maintained in such a manner as to create a public nuisance.

### B. ARM 17.8, Subchapter 2 – Ambient Air Quality, including, but not limited to the following:

1. ARM 17.8.204 Ambient Air Monitoring
2. ARM 17.8.210 Ambient Air Quality Standards for Sulfur Dioxide
3. ARM 17.8.211 Ambient Air Quality Standards for Nitrogen Dioxide
4. ARM 17.8.212 Ambient Air Quality Standards for Carbon Monoxide
5. ARM 17.8.213 Ambient Air Quality Standard for Ozone
6. ARM 17.8.214 Ambient Air Quality Standard for Hydrogen Sulfide
7. ARM 17.8.220 Ambient Air Quality Standard for Settled Particulate Matter
8. ARM 17.8.221 Ambient Air Quality Standard for Visibility
9. ARM 17.8.222 Ambient Air Quality Standard for Lead
10. ARM 17.8.223 Ambient Air Quality Standard for PM<sub>10</sub>

NWE must maintain compliance with the applicable ambient air quality standards.

C. ARM 17.8, Subchapter 3 – Emission Standards, including, but not limited to:

1. ARM 17.8.304 Visible Air Contaminants. This rule requires that no person may cause or authorize emissions to be discharged into the outdoor atmosphere from any source installed after November 23, 1968, that exhibit an opacity of 20% or greater averaged over 6 consecutive minutes.
2. ARM 17.8.308 Particulate Matter, Airborne. (1) This rule requires an opacity limitation of less than 20% for all fugitive emission sources and that reasonable precautions be taken to control emissions of airborne particulate matter. (2) Under this rule, NWE shall not cause or authorize the use of any street, road, or parking lot without taking reasonable precautions to control emissions of airborne particulate matter.
3. ARM 17.8.309 Particulate Matter, Fuel Burning Equipment. This rule requires that no person shall cause, allow, or permit to be discharged into the atmosphere particulate matter caused by the combustion of fuel in excess of the amount determined by this rule.
4. ARM 17.8.310 Particulate Matter, Industrial Process. This rule requires that no person shall cause, allow, or permit to be discharged into the atmosphere particulate matter in excess of the amount set forth in this rule.
5. ARM 17.8.322 Sulfur Oxide Emissions--Sulfur in Fuel. (4) Commencing July 1, 1972, no person shall burn liquid or solid fuels containing sulfur in excess of one pound of sulfur per million Btu fired. (5) Commencing July 1, 1971, no person shall burn any gaseous fuel containing sulfur compounds in excess of 50 grains per 100 cubic feet of gaseous fuel, calculated as hydrogen sulfide at standard conditions. NWE will utilize natural gas for operating its fuel burning equipment, which will meet this limitation.
6. ARM 17.8.324 Hydrocarbon Emissions--Petroleum Products. (3) No person shall load or permit the loading of gasoline into any stationary tank with a capacity of 250 gallons or more from any tank truck or trailer, except through a permanent submerged fill pipe, unless such tank is equipped with a vapor loss control device as described in (1) of this rule.
7. ARM 17.8.340 Standard of Performance for New Stationary Sources and Emission Guidelines for Existing Sources. This rule incorporates, by reference, Title 40 Code of Federal Regulations (CFR) Part 60, Standards of Performance for New Stationary Sources (NSPS). Lodge Creek #10 may be considered an NSPS affected source under 40 CFR Part 60 and is potentially subject to the requirements of the following subparts.
  - a. 40 CFR 60, Subpart A – General provisions apply to all equipment or facilities subject to an NSPS Subpart as listed below:
  - b. 40 CFR 60, Subpart JJJJ – Standards of Performance for Stationary Spark Ignition Internal Combustion Engines contains NSPS requirements that apply to owners or operators of stationary spark ignition (SI) internal combustion engine (ICE) that commence construction, modification, or reconstruction after June 12, 2006, where the stationary ICE is manufactured after July 1, 2007, for engines greater than 500 bhp, or after January 1, 2008, for engines less than 500 bhp. This NSPS applies to any stationary engine that meets these criteria.
8. ARM 17.8.342 Emission Standards for Hazardous Air Pollutants for Source Categories. This rule incorporates, by reference, 40 CFR Part 63, National Emission Standards for Hazardous Air Pollutants (NESHAPs) for Source Categories. Lodge Creek #10 is considered an NESHAP-affected source under 40 CFR Part 63 and is subject to the requirements of the following subparts.



- a. 40 CFR 63, Subpart A – General Provisions apply to all equipment or facilities subject to a NESHAPs Subpart as listed below.
  - b. 40 CFR 63, Subpart ZZZZ - National Emissions Standards for Hazardous Air Pollutants (HAPs) for Stationary Reciprocating Internal Combustion Engines (RICE). An owner or operator of a stationary reciprocating internal combustion engine (RICE) at a major or area source of HAP emissions is subject to this rule except if the stationary RICE is being tested at a stationary RICE test cell/stand. An area source of HAP emissions is a source that is not a major source. Based on the information submitted during the initial permit issuance, the RICE equipment to be used under MAQP #3843-01 is subject to this subpart because it is a RICE at an area source of HAP emissions.
- D. ARM 17.8, Subchapter 4 – Stack Height and Dispersion Techniques, including, but not limited to:
1. ARM 17.8.401 Definitions. This rule includes a list of definitions used in this chapter, unless indicated otherwise in a specific subchapter.
  2. ARM 17.8.402 Requirements. NWE must demonstrate compliance with the ambient air quality standards with a stack height that does not exceed Good Engineering Practices (GEP). The proposed heights of the new or altered stacks for NWE are below the allowable 65-meter GEP stack height.
- E. ARM 17.8, Subchapter 5 – Air Quality Permit Application, Operation and Open Burning Fees, including, but not limited to:
1. ARM 17.8.504 Air Quality Permit Application Fees. This rule requires that an applicant submit an air quality permit application fee concurrent with the submittal of an air quality permit application. A permit application is incomplete until the proper application fee is paid to the Department. A permit fee is not required for the current permit action because the permit action is considered an administrative permit change.
  2. ARM 17.8.505 Air Quality Permit Operation Fees. An annual air quality operation fee must, as a condition of continued operation, be submitted to the Department by each source of air contaminants holding an air quality permit (excluding an open burning permit) issued by the Department. The air quality operation fee is based on the actual or estimated actual amount of air pollutants emitted during the previous calendar year.
- An air quality operation fee is separate and distinct from an air quality permit application fee. The annual assessment and collection of the air quality operation fee, described above, shall take place on a calendar-year basis. The Department may insert into any final permit issued after the effective date of these rules, such conditions as may be necessary to require the payment of an air quality operation fee on a calendar-year basis, including provisions that prorate the required fee amount.
- F. ARM 17.8, Subchapter 7 – Permit, Construction and Operation of Air Contaminant Sources, including, but not limited to:
1. ARM 17.8.740 Definitions. This rule is a list of applicable definitions used in this chapter, unless indicated otherwise in a specific subchapter.

2. ARM 17.8.743 Montana Air Quality Permits--When Required. This rule requires a person to obtain an air quality permit or permit alteration to construct, alter, or use any air contaminant sources that have the Potential to Emit (PTE) greater than 25 tons per year of any pollutant. Lodge Creek #10 has a PTE greater than 25 tons per year of carbon monoxide (CO); therefore, an air quality permit is required.
3. ARM 17.8.744 Montana Air Quality Permits--General Exclusions. This rule identifies the activities that are not subject to the Montana Air Quality Permit program.
4. ARM 17.8.745 Montana Air Quality Permits--Exclusion for De Minimis Changes. This rule identifies the de minimis changes at permitted facilities that do not require a permit under the Montana Air Quality Permit Program.
5. ARM 17.8.748 New or Modified Emitting Units--Permit Application Requirements. (1) This rule requires that a permit application be submitted prior to installation, alteration, or use of a source. A permit application was not required for the current permit action because the permit change is considered an administrative permit change. (7) This rule requires that the applicant notify the public by means of legal publication in a newspaper of general circulation in the area affected by the application for a permit. An affidavit of publication of public notice was not required for the current permit action because the permit change is considered an administrative permit change.
6. ARM 17.8.749 Conditions for Issuance or Denial of Permit. This rule requires that the permits issued by the Department must authorize the construction and operation of the facility or emitting unit subject to the conditions in the permit and the requirements of this subchapter. This rule also requires that the permit must contain any conditions necessary to assure compliance with the Federal Clean Air Act (FCAA), the Clean Air Act of Montana, and rules adopted under those acts.
7. ARM 17.8.752 Emission Control Requirements. This rule requires a source to install the maximum air pollution control capability that is technically practicable and economically feasible, except that Best Available Control Technology (BACT) shall be utilized. The BACT analysis is included in Section III of this Permit Analysis.
8. ARM 17.8.755 Inspection of Permit. This rule requires that air quality permits shall be made available for inspection by the Department at the location of the source.
9. ARM 17.8.756 Compliance with Other Requirements. This rule states that nothing in the permit shall be construed as relieving NWE of the responsibility for complying with any applicable federal or Montana statute, rule, or standard, except as specifically provided in ARM 17.8.740, *et seq.*
10. ARM 17.8.759 Review of Permit Applications. This rule describes the Department's responsibilities for processing permit applications and making permit decisions on those permit applications that do not require the preparation of an Environmental Impact Statement.
11. ARM 17.8.762 Duration of Permit. An air quality permit shall be valid until revoked or modified, as provided in this subchapter, except that a permit issued prior to construction of a new or modified source may contain a condition providing that the permit will expire unless construction is commenced within the time specified in the permit, which in no event may be less than one year after the permit is issued.

12. ARM 17.8.763 Revocation of Permit. An air quality permit may be revoked upon written request of the permittee, or for violations of any requirement of the Clean Air Act of Montana, rules adopted under the Clean Air Act of Montana, the FCAA, rules adopted under the FCAA, or any applicable requirement contained in the Montana State Implementation Plan (SIP).
  13. ARM 17.8.764 Administrative Amendment to Permit. An air quality permit may be amended for changes in any applicable rules and standards adopted by the Board of Environmental Review (Board) or changed conditions of operation at a source or stack that do not result in an increase of emissions as a result of those changed conditions. The owner or operator of a facility may not increase the facility's emissions beyond permit limits unless the increase meets the criteria in ARM 17.8.745 for a de minimis change not requiring a permit, or unless the owner or operator applies for and receives another permit in accordance with ARM 17.8.748, ARM 17.8.749, ARM 17.8.752, ARM 17.8.755, and ARM 17.8.756, and with all applicable requirements in ARM Title 17, Chapter 8, Subchapters 8, 9, and 10.
  14. ARM 17.8.765 Transfer of Permit. (1) This rule states that an air quality permit may be transferred from one location to another if the Department receives a complete notice of Intent to Transfer location, the facility will operate in the new location for less than 1 year, the facility will comply with the FCAA and the Clean Air Act of Montana, and the facility complies with other applicable rules. (2) This rule states that an air quality permit may be transferred from one person to another if written notice of Intent to Transfer, including the names of the transferor and the transferee, is sent to the Department.
- G. ARM 17.8, Subchapter 8 – Prevention of Significant Deterioration of Air Quality, including, but not limited to:
1. ARM 17.8.801 Definitions. This rule is a list of applicable definitions used in this subchapter.
  2. ARM 17.8.818 Review of Major Stationary Sources and Major Modifications--Source Applicability and Exemptions. The requirements contained in ARM 17.8.819 through ARM 17.8.827 shall apply to any major stationary source and any major modification, with respect to each pollutant subject to regulation under the FCAA that it would emit, except as this subchapter would otherwise allow.
- This facility is not a major stationary source since this facility is not a listed source and the facility's PTE is below 250 tons per year of any pollutant (excluding fugitive emissions).
- H. ARM 17.8, Subchapter 12 – Operating Permit Program Applicability, including, but not limited to:
1. ARM 17.8.1201 Definitions. (23) Major Source under Section 7412 of the FCAA is defined as any source having:
    - a. PTE > 100 tons/year of any pollutant;
    - b. PTE > 10 tons/year of any one HAP, PTE > 25 tons/year of a combination of all HAPs, or lesser quantity as the Department may establish by rule; or
    - c. PTE > 70 tons/year of particulate matter with an aerodynamic diameter of 10 microns or less (PM<sub>10</sub>) in a serious PM<sub>10</sub> nonattainment area.

2. ARM 17.8.1204 Air Quality Operating Permit Program. (1) Title V of the FCAA amendments of 1990 requires that all sources, as defined in ARM 17.8.1204(1), obtain a Title V Operating Permit. In reviewing and issuing MAQP #3843-01 for NWE, the following conclusions were made:
  - a. The facility's PTE is less than 100 tons/year for any pollutant.
  - b. The facility's PTE is less than 10 tons/year for any one HAP and less than 25 tons/year for all HAPs.
  - c. This source is not located in a serious PM<sub>10</sub> nonattainment area.
  - d. This facility is not subject to any current NSPS.
  - e. This facility is subject to a current NESHAP: 40 CFR 63, Subpart ZZZZ.
  - f. This source is not a Title IV affected source, nor a solid waste combustion unit.
  - g. This source is not an EPA designated Title V source.

Based on these facts, the Department determined that Lodge Creek #10 is a minor source of emissions as defined under Title V.

### III. BACT Determination

A BACT determination is required for each new or modified source. NWE shall install on the new or modified source the maximum air pollution control capability, which is technically practicable and economically feasible, except that BACT shall be utilized. A BACT determination was not required for the current permit action because the permit change is considered an administrative permit change.

### IV. Emission Inventory

Ton/year (After Control)					
Source	PM <sub>10</sub>	NO <sub>x</sub>	VOC	CO	SO <sub>x</sub>
188-bhp Rich Burn Engine	0.14	1.82	1.82	1.82	0.00
<b>FACILITY TOTAL</b>	<b>0.14</b>	<b>1.82</b>	<b>1.82</b>	<b>1.82</b>	<b>0.00</b>

#### 188-bhp 4-Stroke Rich Burn Compressor Engine with NSCR and AFR

Brake Horsepower: 188 bhp  
 Fuel Consumption: 1.62 MMBTU/hr  
 Hours of operation: 8,760 hr/yr

#### PM/PM<sub>10</sub> Emissions (Filterable & Condensable)

Emission Factor: 1.94E-02 lb/MMBtu (AP-42, Chapter 3, Table 3.2-3, 7/00)  
 Fuel Consumption: 1.62 MMBtu/hr (Maximum Design)  
 Calculations: 1.62 MMBtu/hr \* 1.94E-02 lb/MMBtu = 0.03 lb/hr  
 0.03 lb/hr \* 8,760 hr/yr \* 0.0005 ton/lb = 0.14 ton/yr

#### NO<sub>x</sub> Emissions

Emission factor: 1.0 gram/bhp-hour (BACT Determination)  
 Calculations: 1.0 gram/bhp-hour \* 188 hp \* 0.002205 lb/gram = 0.41 lb/hr  
 0.41 lb/hr \* 8,760 hr/yr \* 0.0005 ton/lb = 1.82 ton/yr

VOC Emissions

Emission factor: 1.0 gram/bhp-hour (BACT Determination)  
 Calculations:  $1.0 \text{ gram/bhp-hour} * 188 \text{ hp} * 0.002205 \text{ lb/gram} = 0.41 \text{ lb/hr}$   
 $0.41 \text{ lb/hr} * 8,760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 1.82 \text{ ton/yr}$

CO Emissions

Emission factor: 1.0 gram/bhp-hour (BACT Determination)  
 Calculations:  $1.0 \text{ gram/bhp-hour} * 188 \text{ hp} * 0.002205 \text{ lb/gram} = 0.41 \text{ lb/hr}$   
 $0.41 \text{ lb/hr} * 8,760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 1.82 \text{ ton/yr}$

SO<sub>2</sub> Emission

Emission factor: 5.88E-04 lb/MMBtu (AP-42, Chapter 3, Table 3.2-3, 7/00)  
 Fuel Consumption: 1.62 MMBtu/hr (Maximum Design)  
 Calculations:  $1.62 \text{ MMBtu/hr} * 5.88\text{E-}04 \text{ lb/MMBtu} = 0.00 \text{ lb/hr}$   
 $0.00 \text{ lb/hr} * 8,760 \text{ hr/yr} * 0.0005 \text{ ton/lb} = 0.00 \text{ ton/yr}$

**V. Existing Air Quality**

MAQP #3843-01 is issued for the operation of a portable compressor engine to be originally located approximately 15 miles north of Havre, Montana, in the NE¼ of the SE¼ of Section 31, Township 35 North, Range 17 East, in Hill County, Montana. This facility would be allowed to operate at this proposed site and any other areas in Montana, excluding those counties that have a Department-approved permitting program or those areas considered Tribal Lands. *A Missoula County air quality permit would be required for locations within Missoula County, Montana.*

**VI. Ambient Air Impact Analysis**

The current permitting action is an administrative permit action with no associated changes in potential emissions. Therefore, the Department did not conduct an ambient air impact analysis.

**VII. Taking or Damaging Implication Analysis**

As required by 2-10-105, MCA, the Department conducted the following private property taking and damaging assessment.

YES	NO	
X		1. Does the action pertain to land or water management or environmental regulation affecting private real property or water rights?
	X	2. Does the action result in either a permanent or indefinite physical occupation of private property?
	X	3. Does the action deny a fundamental attribute of ownership? (ex.: right to exclude others, disposal of property)
	X	4. Does the action deprive the owner of all economically viable uses of the property?
	X	5. Does the action require a property owner to dedicate a portion of property or to grant an easement? [If no, go to (6)].
		5a. Is there a reasonable, specific connection between the government requirement and legitimate state interests?
		5b. Is the government requirement roughly proportional to the impact of the proposed use of the property?
	X	6. Does the action have a severe impact on the value of the property? (consider economic impact, investment-backed expectations, character of government action)
	X	7. Does the action damage the property by causing some physical disturbance with respect to the property in excess of that sustained by the public generally?
	X	7a. Is the impact of government action direct, peculiar, and significant?
	X	7b. Has government action resulted in the property becoming practically inaccessible, waterlogged or flooded?

YES	NO	
	X	7c. Has government action lowered property values by more than 30% and necessitated the physical taking of adjacent property or property across a public way from the property in question?
	X	Takings or damaging implications? (Taking or damaging implications exist if YES is checked in response to question 1 and also to any one or more of the following questions: 2, 3, 4, 6, 7a, 7b, 7c; or if NO is checked in response to questions 5a or 5b; the shaded areas)

Based on this analysis, the Department determined there are no taking or damaging implications associated with this permit action.

#### VIII. Environmental Assessment

This permitting action will not result in an increase of emissions from the facility and is considered an administrative action; therefore, an environmental assessment is not required.

Analysis Prepared By: Ed Warner

Date: January 30, 2013